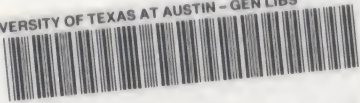


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# The Watson-Parker Law

The Latest Scheme to Hamstring  
Railroad Unionism

By Wm. Z. Foster

10¢

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Chapter I.

THE DECLINE OF RAILROAD TRADE UNIONISM

IN May, 1926, the Watson-Parker railroad bill became a law, with the full support of the big railroad magnates and the railroad trade union leaders. This law, claimed as a great victory for labor, in reality registers a long step backward for railroad trade unionism. It supports and encourages many of the most dangerous obstacles and tendencies blocking the development of effective unions. It legalizes and stimulates company unionism; it virtually fastens compulsory arbitration upon the necks of railroad workers; it outlaws strikes; it introduces the poisonous idea of the industrial court into the railroad industry; it intensifies the tendency towards class collaboration, which is degenerating the trade unions into mere instruments to help the employers make more profits and keep their workers docile. The Watson-Parker Law is a blow at the vitals of the railroad unions.

This law marks the latest phase of the disastrous retreat which the railroad unions have been making since 1920-21. In order to understand the nature of this retreat, the extent of it, and the causes that have brought it about, it becomes necessary for us to trace the course of railroad trade unionism for the past decade. Then we will know what to do to remedy the situation:

1.—A PERIOD OF GROWTH AND DEVELOPMENT

From the beginning of the world war in 1914 until about 1920-21 there was a period of very rapid advance-

ment for railroad trade unionism. This advance took place on every front. Ideologically and organizationally the railroad unions grew very much stronger. They became the healthiest and best section of the entire movement. They held out splendid promise for the future.

Numerically, in these years, the unions forged ahead swiftly. Before the war a dozen of the 16 craft unions were mere skeletons. Only the four Brotherhoods had a real organization. But during the war, especially after the issuance of McAdoo's famous "Order No. 8", which conceded the railroad workers the right to organize, all the unions grew very rapidly. By the end of the war they included in their ranks the vast majority of the 1,800,000 railroad workers. This drawing in of at least 1,000,000 workers into the previously semi-moribund unions had a profound effect in strengthening their general fighting spirit.

In consolidating their ranks, which is of fundamental importance, the railroad unions made real progress during the period in question. For a number of years prior to this time the unions had been slowly awakening to the fact that their policy of isolation from each other, of separate craft action, was futile. They began to learn the necessity of joint action and organization by all classifications of railroad workers.

2.—THE FEDERATION MOVEMENT

This manifested itself by a gradual growth of system and national federations between various groups of the unions. But during the war and for a short time afterward this movement towards solidarity of organization and action took on tremendous force and significance. A veritable network of federations sprang up, local, system, divisional, national. Wage movements assumed an ever-wider scope, until finally, in 1920, the unions all united in one general federated movement, representing every category of the 1,800,000 workers in the industry, demanding better conditions. This resulted in the estab-



lishment of a general national agreement covering all railroad workers.

This entire movement towards a growing solidarity (a detailed history of which can be found in the pamphlet, "The Railroaders' Next Step—Amalgamation", published by the Trade Union Educational League) indicated clearly that the great army of railroad workers were travelling rapidly in the direction of welding all their scattered trade union units into one mighty industrial union.

### 3.—THE PLUMB PLAN

Politically, the railroad unions also made unprecedented progress during these years. The masses of workers, heading towards their first real break with capitalism, wholeheartedly and enthusiastically endorsed the Plumb Plan for the nationalization of the railroads. So strong was the sentiment that even the strongest and most reactionary of the railroad union leaders dared not oppose it. The railroad workers backed up their endorsement of the Plumb Plan by establishing a definite political organization, the Plumb Plan League. Later this developed into the Conference for Progressive Political Action.

This organization, the C. P. P. A., had the active support of fully 2,500,000 organized workers and farmers. Saturated with labor party sentiment (which was betrayed by the leaders) and with revolt against the two capitalist parties, the C. P. P. A. constituted the greatest mass effort ever made by the workers in this country for independent political action. The railroad workers were the heart and soul of the whole movement.

In this era of flourishing growth, organizationally, politically and otherwise, the railroad unions became the progressive wing of the whole trade union movement. They enlivened and invigorated its entire structure. They menaced the control and policies of the reactionary A. F. of L. machine. At the 1920 convention of the A. F.

of L. the bloc of railroad unions gave Gompers the greatest defeat of his career when, in spite of his desperate opposition, they forced the endorsement of the Plumb Plan. The railroad unions were infusing the whole labor movement with a new spirit of progress.

### 4.—DEFEAT, RETREAT, SURRENDER

Beginning in the latter part of 1920, the railroad unions began to abandon all this promising progressivism. They started to wilt, to retreat in the face of the companies' bitter attacks. And this retreat has gone on uninterruptedly ever since, and with increasing tempo. The retreat is on every front. The infamous Watson-Parker Law is its latest and most disastrous manifestation. No longer can the erstwhile flourishing railroad unions make even the slightest claim to militancy or progressivism. They are at the tail end of the backward trade union movement.

The offensive of the companies began almost immediately after the war ended. The first vital phases of it were the return of the railroads from government to private control and the establishment of the unlamented Railroad Labor Board. This board, controlled from its birth till its death by the railroad companies, immediately began to slash into the railroad workers' organizations and standards of living.

It abolished the national agreements, cut wages repeatedly, permitted the re-establishment of piece-work, sanctioned the formation of company unions, abetted the farming out of work from the union railroad shops to the non-union contract shops. It worked ceaselessly in furthering the companies' plans to break up the railroad unions and to degrade the workers to their pre-war state of slavery.

For the workers, this terrific attack constituted a great crisis. Manifestly the fate of the unions was at stake. Bold and courageous leadership and policies were a life and death necessity. Correctly analyzing the situ-



ation, the Trade Union Educational League demanded the closing up of the workers' ranks and the launching of a great counter-attack by the entire body of railroad workers against the companies. It summed up the situation in the historic slogan "Amalgamation or Annihilation". The International Committee for Amalgamation in the Railroad Industry carried on a wide agitation in this sense.

But the reactionary railroad union leaders categorically rejected this militant program, though the great rank and file was for it. Instead, these timid leaders began a disorderly retreat before the attacks of the employers, betraying the workers retail and wholesale in their precipitating flight. In place of tightening up the federations and unifying the workers' ranks, the leaders weakened or broke up the federations. The four Brotherhoods turned tail on the rest of the unions, hoping to save something for themselves by this treachery. And the more the workers weakened and retreated from the companies' blows, the harder the latter rained these blows upon them.

The situation came to a crash in July, 1922. The seven shop unions, harrassed and attacked on all sides and being gradually pulled to pieces by the employers and the Railroad Labor Board, launched into a desperate national general strike. This strike of 400,000 workers was one of the stoutest blows for freedom ever struck by the workers of this country. Its marvellous solidarity surprised everyone and inspired the masses of railroad workers in the nine unions not directly involved in the strike. A flame of revolt blazed amongst the latter. They were ready to try conclusions with the companies by a great general strike. The T. U. E. L. called for a general strike of all railroad workers. This would have brought the companies to their knees in a few days and would have resulted in a great victory.

#### 5.—THE BETRAYAL OF THE SHOPMEN'S STRIKE

But the reactionary trade union leaders, intent only on their runaway policy, would have none of the general strike. They prevented, by duplicity and force, the united action of the workers. They kept unions at work which voted 95 per cent to strike. They betrayed the whole body of railroad workers, shamelessly, disastrously, by keeping nine unions at work helping the companies to break the strike. So long as history records the great shopmen's strike, that long the craven treachery of Lee, Fitzgerald, and the other leaders will be hated by every progressive worker.

Result: Several months of bitter struggle by the shopmen and then overwhelming defeat. This unprecedented defeat broke the backbone of railroad trade unionism. The shop unions were wrecked; they now possess only a fourth of their former membership and a mere fragment of their former power.

The Railway Clerks and the Maintenance of Way workers, who were openly sold out by their leaders after voting solidly for a strike, were demoralized and almost destroyed. The Brotherhoods were also greatly weakened. Altogether, fully 700,000 members were lost by the strike. The fighting morale of the unions was shattered. Company unionism spread throughout the railroad systems, on the wreckage of the unions, like a malignant cancer. The shopmen's strike of 1922, betrayed by the leaders, resulted in the biggest and most disastrous defeat ever suffered by the American labor movement.

In the face of this disaster the Trade Union Educational League again demanded the amalgamation of the workers' forces and the development of an offensive all along the line against the companies. It demanded the launching of a great campaign to organize the unorganized. The masses of workers rallied overwhelmingly to these slogans, but the reactionary leaders turned a deaf ear to them. Their response was to slander and terror-



ize the left wing militants, to block by any means the demand for amalgamation, and to redouble their retreat before the advancing and victorious railroad companies.

Instead of amalgamating the unions, the leaders split them up still more. The Brotherhoods pulled further away from the shopmen and they dissolved the alliance that had previously existed among themselves. The B. of L. E. broke with the B. of L. F. & E., and the shop unions weakened the bonds with each other.

Thus, the whole structure of railroad federation, which but two years before seemed to be leading rapidly to the creation of one all-inclusive railroad union, collapsed. And instead of adopting a militant policy and thus regaining the lost ground, the railroad union leaders surrendered still more to the employers. They plunged deeper and deeper into the swamp of class collaboration.

## Chapter II. CLASS COLLABORATION

THE expression "class collaboration" is one with which railroad workers must become familiar. They should learn its full sinister meaning. It expresses the present growing tendency of the railroad trade union leaders to cease fighting against the railroad companies and to subordinate the interests of the workers to those of the employers.

Earl R. Browder, in his pamphlet, "Class Struggle versus Class Collaboration," puts the question correctly:

"Are the unions to be developed into fighting organizations and to protect the workers against capitalist exploitation, or are they to become an integral part of the capitalist system and thus assist the process of exploitation in the vain hope of transforming the greedy capitalists into kindly benefactors by soft words? Are the unions to be organs of class struggle or of class collaboration?"

The Trade Union Educational League and the militant wing of the labor movement generally advocate the policy of the class struggle. This is based on the fundamental clash of interest between the workers and the railroad companies. If the workers get a larger share of what they produce the employers will get less profits, and vice versa.

The stronger the workers are organized industrially and politically the more they are able to limit capitalist exploitation, to force better terms for themselves in industry in the questions of wages, hours, and working conditions. Hence, the urgent necessity of building the railroad trade unions into real fighting bodies by amalgamating them all into one great union, by organizing the great masses of unorganized, by forming a labor party, and by the establishment of a militant leadership and policy.

### A FALSE PREMISE

But the present railroad trade union leaders will have nothing of all this. They are ardent advocates of class collaboration. They start from the false premise that "the interests of Capital and Labor are identical". They accept capitalism as a permanent state of society. They believe that strikes and lockouts are merely misunderstandings between the two brothers, Capital and Labor, who should love each other even if they do not. Their policy is to eliminate these "quarrels" by "collaborating" with the employers in every field; political, industrial, etc.

They seek to wheedle a few concessions from the employers by meekly subordinating and surrendering the workers to the companies, through giving them over to the Republican and Democratic Parties, speeding them in industry, filling their heads with capitalist economics and patriotism, and through making them accept such general conditions as the employers decide to enforce. In this conception there is no place for real fighting unions, fighting leaders, or fighting policies.



The slogans of the reactionary labor leaders are identical with those of the employers: conciliation, arbitration, collaboration. Hence, their bitter resistance to all attempts to build the unions into real fighting organizations and to bring them into conflict with the employers.

Class collaboration is not an entirely new thing in railroad trade unionism. Far from it; the unions have always been afflicted with a certain degree of it, to the consequent sacrifice of the workers' interests. But in earlier years the unions also had considerable militancy, as many bitter strikes testify. Since the end of the shopmen's strike, however, this remnant of militancy has faded. The leadership, in its policy of hasty retreat, has turned overwhelmingly to class collaboration, of which many new forms have developed in the realms of politics, finance, and industry.

## 2.—CLASS COLLABORATION IN POLITICS

In politics the retreat of the railroad trade union leaders into the mire of intensified class collaboration has been rapid and far-reaching since the beginning of the employers' offensive and especially since the loss of the shopmen's strike. They have completely abandoned and repudiated the Plumb Plan for nationalizing the railroads. In fact, this plan, which aroused the greatest enthusiasm among railroad men just a few years ago, is now almost forgotten. The leaders have again recognized the right of private individuals to own the greatest and most vital of all public services, the railroads.

The Conference for Progressive Political Action has been dissolved and the railroad leaders have again openly and shamelessly avowed their allegiance to the two old capitalist parties. They become more than ever the militant champions of capitalist politics in the unions. Wherever the workers display a determination to split with the old parties and to form a labor party, these worthies are always on hand to demoralize and break up the movement and to keep the workers chained polit-

ically to the employers' parties. Their class collaboration, "non-partisan" policy of "rewarding Labor's friends" reduces the workers to political zeros and surrenders the government and all its machinery, national, state, and local, to the employing class.

More and more in their growing servility the railroad union leaders are becoming the tools of American imperialism. Except for a negligible few of them, their foreign policy is almost identical with that of the employers. They oppose wildly the recognition of the Union of Socialist Soviet Republics. Through the Pan-American Federation of Labor they are playing the game of the American exploiters in Latin-America.

They are now maneuvering to enter the Amsterdam trade union international in order to further the plans of American imperialism in Europe. They follow our capitalists' policy in China. The employers, in their ruthless scheme of world domination, could hardly hope for more devoted supporters than the leaders of the trade unions.

## 3.—CLASS COLLABORATION IN FINANCE

In the field of finance the reactionaries have also widely extended and developed their policy of class collaboration. Their plan is to amass the workers' savings and to set up a series of big financial institutions which will enable them to enter into close and profitable relations with the employers. Thus they have created a whole network of labor banks, labor investment corporations, trade union life insurance companies, building societies, etc. At present there are in existence 37 labor banks (and many more in prospect) with \$120,000,000 resources, 11 labor investment corporations with \$34,000,000, and the unions have heavy interests in at least \$100,000,000 more of investments.

These financial institutions are in no sense co-operatives. They are firmly in the grip of the little cliques of reactionaries who dominate the unions. The rank and



file has nothing whatever to say in the matter. The whole system constitutes a veritable trade union capitalism. And the leaders, who are exploiting these rich pickings for their own advantage, are fast becoming real capitalists.

#### EFFECTS OF TRADE UNION CAPITALISM

Trade union capitalism is harmful to the unions for many reasons. It degenerates the unions from fighting organizations into business institutions. It links them up directly with labor crushing "open shop" employers, who often sit on the boards of directors of labor banks. Trade union capitalism cultivates the illusion among the workers that they can buy their way out of capitalism. At the El Paso convention of the A. F. of L. in 1924 an enthusiast for labor banking declared, "Labor banking offers a peaceful way to the revolution. All talk of struggle and organization is superfluous."

Warren Stone declared his ambition was to give the workers the coupon-clipping habit, to turn them into capitalists via labor banking. Trade union capitalism strengthens the reactionary bureaucrats' grip upon the unions. It gives them control over vast sums of money, and it creates a huge new bureaucracy of office holders, which they can and do use to dominate their trade union elections. They become financially and otherwise independent of the rank and file.

Trade union capitalism is also a source of corruption—see the failures of the Philadelphia and Pittsburgh banks. Throughout the labor movement the railroad leaders are the backbone of this poisonous class collaboration growth, trade union capitalism.

Trade union capitalism began its rapid growth right after the shipmen's strike in 1922. It is an integral part of the general retreat policy of the conservative leaders. As soon as it began to spread the T. U. E. L. warned the workers against its inevitable baneful effects. Naturally the bureaucrats did not heed this warning, nor

did the masses understand the menace. But, finally, even the ultra-reactionary A. F. of L. 1926 convention, as a result of the generally demoralizing effects of trade union capitalism, was compelled to speak a word of caution against it, saying:

"The development of labor banking has given rise to other labor ventures in the investment, building and security field. We are prompted also to sound a note of warning against this increasing tendency to divert the attention of the trade unions from the more primary need of trade union organization and trade union functioning."

#### 4.—CLASS COLLABORATION IN INDUSTRY

The most immediately menacing form of class collaboration in industry is the so-called Baltimore and Ohio Plan, so named because it was first applied on the B. & O. railroad. This insidious policy was originated by O. S. Beyers, Jr., an efficiency engineer, who won over to it Wm. H. Johnston, President of the International Association of Machinists. Like the other new forms of class collaboration, the B. & O. Plan entered upon its greatest period of development just after the conclusion of the disastrous national strike of railroad shopmen.

The B. & O. Plan is a scheme whereby the unions "co-operate" with the companies to speed up and cheapen production. By its very nature the plan necessitates the abandonment of all real struggle against the companies. Under it the workers and the employers become "friends". The unions change their aim from winning concessions of the bosses to working with them to increase production; they degenerate into part of the employers' productive machinery.

When the workers drop their fight against the employers, naturally the latter, with a free hand, soon wipe out the concessions that the workers have won by long years of hard struggle. The unions cease being fighting organizations, and the militancy of the workers is low-



ered. B. & O. Plan unionism, being based upon the principles of increasing industrial efficiency and of killing the militancy of the workers, is a blood relation to company unionism.

#### RESULTS OF B. & O. PLAN UNIONISM

In return for increasing the employers' profits through the B. & O. Plan the workers are supposed to receive higher wages and steadier employment. But it has not worked out so in practice. For the workers it has been only another and more deadly speed-up system. The B. & O. Plan has proved a very poor substitute indeed for a fighting, well-organized unionism. Hence the workers are cold to it and vote against it wherever they are given a chance in their unions.

But the employers and the conservative trade union leaders are its warm partisans; the employers because it means more profits and more docile workers for them, and the union leaders because it enables them, with their non-fighting policy, to hang on to a rag of an organization, enough to pay them their fat salaries and to furnish them funds for their labor banks and other trade union capitalistic institutions.

The B. & O. Plan is spreading like a cancer. Starting on the B. & O. railroad, it was soon introduced on the C. & O., C. & N. W., Canadian National Railways and various other important railway systems. It is now being established, in spite of the rank and file's protest, on the C. M. & St. P. It is also being introduced into contract shops by the I. A. of M. Already the B. & O. Plan stretches far beyond the confines of the railroad industry. The whole labor movement is becoming permeated with it in one form or another. Recent conventions of the A. F. of L. have supported it in the shape of direct endorsements and by the adoption of the so-called "new wage policy", the "Monroe Doctrine of Labor", and other similar schemes.

#### AN INTERNATIONAL MENACE

The B. & O. Plan has even spread internationally. It menaces now the whole world organization of the workers. The reactionaries in all countries take to it like ducks to water. The conservative German trade union leaders look upon it as an inspiration, and the right wing of the British trade union movement is aiming to put some form of it into effect in the near future. In other European countries, the reactionaries will soon follow suit.

Everywhere these worthies find, with their antiquated policies and organizations, that they are unable to maintain themselves, much less make headway, in the face of modern capitalism. Hence, refusing to accept the left wing's fighting policy, they proceed to make "peace" with the employers at the expense of the workers. The B. & O. Plan is the golden way for them to do this. The erstwhile progressive and militant American railroad unions have the very doubtful honor of being the originators of that menace to the international labor movement, the B. & O. Plan.

### Chapter III.

#### THE WATSON-PARKER LAW.

NOW we come directly to the latest and most disastrous phase of the railroad trade union leaders' retreat before the attacks of the companies, the passage of the Watson-Parker Law. This infamous piece of legislation is a logical and inevitable cap-stone to the whole structure of class collaboration which preceded it. It follows naturally as a result of the same policy which produced the failure of the four Brotherhoods to support the striking shopmen, the dissolution of the railroad federations, the rejection of amalgamation and the refusal to organize the unorganized, the killing of the Plumb Plan and the retreat back to the two capitalist parties, the inau-



guration of the B. & O. Plan and trade union capitalism. It is the most complete surrender in the history of the American labor movement.

The Watson-Parker Law is officially known as the Railway Labor Act, and has for its stated purpose, "To provide for the prompt disposition of disputes between carriers and their employees, and for other purposes." Before analyzing the law and showing how it operates against the workers it will be well for us to examine its formal construction and the procedure it sets up. Its main features are as follows:

#### 1.—BOARDS OF ADJUSTMENT

Grievances and disputes shall, in their initial stages, be handled in the regular way from the lower to the higher company officials. In case of a disagreement, a Board of Adjustment shall be organized. Such boards may be set up by agreement between any carriers (defined as any express company, sleeping car company, or railroad subject to the Interstate Commerce Act) or group of carriers and their employees. They shall be composed of an equal number of representatives from each side.

A majority of a board can make a decision, which shall be final and binding. Any other mutually agreed upon method of settlement of grievances is legal. Thirty days' notice is required for a change of rates or conditions by either employees or carriers.

#### 2.—THE BOARD OF MEDIATION

The Board of Mediation consists of five members, appointed by the President of the United States. "No person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier" may be a member of the board. The members' salaries are \$12,000 per year.

The stated chief functions of the Board of Mediation are, (1) to mediate differences unsettled by the Boards

of Adjustment, (2) to try to bring about an agreement to arbitrate in the event of a continued failure to settle the trouble by mediation, (3) to interpret agreements arrived at by mediation (4) to appoint the "odd" or decisive members of the Arbitration Boards where they cannot be agreed upon by the employees and the carriers. The intervention of the Board of Mediation may be brought about by the application of one or both parties to the dispute, or upon the initiative of the Board itself.

#### 3.—BOARDS OF ARBITRATION

When an agreement is made to arbitrate a dispute, a Board of Arbitration shall be established. This board may be of either three or six members. If it is a board of three, the companies name one member, the workers one, and these pick the third. If it is a board of six, each side names two, and these choose the additional two. In the event of a failure to agree upon the "neutral" members, the Board of Mediation shall appoint them. They are supposed to be "impartial".

A majority of a Board of Arbitration is decisive. Once an agreement to arbitrate is made neither side can withdraw, except by mutual consent. Awards of Boards of Arbitration are final and binding, except upon formal appeal to the Federal Courts. Such appeals must be taken immediately after the award is made and can only be had on the basis that the arbitration proceedings are irregular or that the award is in violation of the terms of the agreement to arbitrate. Arbitration awards specifically do not restrict the right of "individuals" to quit their employment. No specific penalties are stated for organized violation of an arbitration award. Boards of Arbitration interpret arbitration awards.

#### 4.—THE EMERGENCY BOARD

Should direct negotiations, mediation, and arbitration fail to settle a dispute "which threatens substantially



to interrupt interstate commerce", the President of the United States may, "in his discretion" create an "impartial" board to investigate and report on the situation. This is the Emergency Board. Such boards shall be created separately in each case.

The Emergency Board shall report its findings not more than 30 days after the date of its creation. "After the creation of such board and for 30 days after such board has made its report to the president, no change (strikes, lockouts, etc., W. Z. F.) shall be made by the parties to the controversy in the conditions out of which the dispute arose."

#### 5.—THE FEDERAL COURTS

In many sections of the Watson-Parker Law it is provided for federal court action to lend legal weight to the actions of the various boards. Agreements to arbitrate may be filed in either circuit or district courts, thereby becoming legal and binding. The Boards of Arbitration have the power of subpoena to compel the attendance and testimony of witnesses, enforceable by court action. Copies of all papers, proceedings, and evidence of arbitration processes, together with the final arbitration awards themselves, must be filed in the resident district court.

Awards may be appealed to the district court, but with this provision, "unless within 10 days after the filing of the award a petition to impeach the award . . . shall be filed in the clerk's office of the court . . . the court shall enter judgment upon the award, which judgment shall be final and conclusive on the parties."

The action of the district court becomes final and binding on all parties unless a formal appeal is taken to the circuit court of appeals, whose decision, in case of an appeal, is conclusive. The law provides for the necessary changes in the Judicial Code to give the courts the right to enforce legally the Watson-Parker Law.

## Chapter IV.

### WHAT THE LAW MEANS

THE passage of the Watson-Parker Law was greeted with a shout of approval by reactionaries in the labor movement everywhere. They acclaim it as a great victory. "Labor", official journal of the railroad unions, went into ecstasies over it. The general enthusiasm among the trade union bureaucrats was exceeded only by that of the capitalists. The recent convention of the Railway Employees' Department of the A. F. of L. said the following:

"With the enactment of the Railroad Labor Bill, and a manifest desire on the part of the carriers and employees to adhere strictly to the provisions of the law, its spirit and intent, we believe that a great forward step has been made towards harmonious relations on the railroads."

This incredibly stupid sentiment was re-echoed in the A. F. of L. convention itself, the report of the Executive Council saying:

"Perhaps the most pronounced progress made this year in eradicating the most subtle form of denial of the right of freedom to collective agreements is evidenced in the enactment of the Watson-Parker Law. This law has abolished the Railroad Labor Board and instead has set out in clear and unmistakable language the right of railroad and transportation workers to voluntary collective bargaining."

But while on the one hand claiming the law as a victory, the A. F. of L., visualizing certain disastrous experiences in its operation in the near future, has to strike at least a weak note of warning. It warns against the danger of "slight imperfections" developing in the application of the law. And President Green specifically opposes the application of its principles to the workers in other industries. Why, indeed? If the Watson-Parker



Law is so valuable for railroad workers why not also for others?

The fact is that all this crying of victory is merely throwing sand in the eyes of the workers. In reality the Watson-Parker Law registers a big surrender by the railroad unions to the companies. It condones and establishes in the railroad industry some of the very worst features of the struggle between workers and employers. Among these are compulsory arbitration, outlawing of strikes, interference of federal courts in labor disputes, company unionism, and the most injurious forms of class collaboration between the union leaders and the companies.

#### 1.—COMPULSORY ARBITRATION

For many years the labor movement of this country has bitterly contested every attempt of the employers, and they have been many and persistent, to set up compulsory arbitration. The workers have correctly branded such arbitration as a slave-making system. But the Watson-Parker Law, disregarding this historic struggle, practically fastens compulsory arbitration upon the railroad workers. This it does, not in so many words, but none the less effectively, by setting up such a network of machinery leading straight to arbitration that the unions, under the present leadership, will be virtually compelled to accept arbitration whenever the employers see fit to force it upon them. Let us see how the thing will work in practice:

Suppose a serious dispute arises between the unions and the companies. It is not settled by direct negotiations, and the companies, with their eye on an eventual favorable arbitration, refuse to settle the dispute before the Board of Adjustment. A crisis develops. Then the Board of Mediation, backed with all the prestige of the government, steps in and advises arbitration according to the provisions of the Watson-Parker Law.

Public sentiment will be organized in favor of arbitration. This the Mediation Board can do effectively—the House Interstate Commerce Committee recommending the adoption of the law says, “this board will be able to mobilize public opinion to an extent impossible to any permanent board or to any agency of the government heretofore created for the purpose.”

In the face of this barrage what will our conservative leaders do? They voted for arbitration in the law, now why not accept it in fact? They have definitely committed themselves to arbitration when they voted for the law. But assuming that they might dare to resist the demand of the Mediation Board for arbitration, then the President will create an Emergency Board, with vague and threatening powers.

#### AT THE END—DEFEAT

This will still further mobilize public sentiment for arbitration. Then the conservative leaders, confronted by a hostile public opinion and tied up with the many legal delays established by the Watson-Parker Law (and believing in arbitration anyway), will submit their case to a framed-up Arbitration Board.

In reality, the Watson-Parker Law establishes compulsory arbitration in the railroad industry. In practice it will work out that minor disputes will be settled in direct negotiations and those of a major character will go to arbitration. This means that the companies now have the workers “hog-tied”.

Arbitration in general is bad for the workers. It kills their fighting spirit, and the employers are always able to get control of the “odd” or decisive arbitrators. Even when the arbitrators are chosen entirely by agreement it turns out so. This is because the only ones the employers will accept as decisive arbitrators except capitalists come from classes standing between the workers and the employers, usually so-called liberals. And when the decision is made by these treacherous elements it is al-



ways in favor of those to whom they stand closest economically, politically, and socially—the capitalists. Even at the best the workers have a poor chance before an arbitration board.

But the arbitration virtually made compulsory by the Watson-Parker Law is of the very worst type. From the beginning it is stacked against the workers. By the very working out of the law the Boards of Arbitration will be controlled by the employers. The final power of selecting the decisive arbitrators rests with the ultra-reactionary Mediation Board appointed by the president. One can easily imagine which side will be favored by the worthies selected by this capitalistic tribunal. The working of the law is simple: first it forces the workers into arbitration, and then it makes them accept arbitrators picked by the companies. A wonderful arrangement—for the employers.

#### IN THE CLUTCH OF CAPITALIST COURTS

These hand-picked Arbitration Boards will arbitrate not only wages and hours, but also upon the very life of the unions themselves. Arbitrators habitually do this, running beyond their specific powers. See for example the "open shop" arbitration award handed down by the notorious Judge Landis in the Chicago building trades in a few years ago. If the unions think the new Boards of Arbitration on the railroads are exceeding their delegated powers they can take the matter on appeal to the federal courts. A splendid prospect, surely!

In short, the awards are enforceable by the courts. The menace of this kind of arbitration is pointed out by the following statement, adopted by the A. F. of L. convention in 1897, when that body still had some proletarian militancy:

"Any Board of Arbitration with power to enforce its award upon individuals ceases to be a Board of Arbitration and assumes all the functions of an industrial court; as such a revival of the Eng-

lish quarter sessions wages and a reintroduction of serfdom; also opposed to the 13th Amendment."

#### 2.—MAKING STRIKES ILLEGAL

Aiming to prevent strikes, the employers of this country have repeatedly tried to make them illegal. Every such effort of theirs has met with desperate resistance from the workers. But the Watson-Parker Law, enthusiastically supported by the railroad union leaders, goes far in the direction of making strikes on the railroads illegal. The chief aim of the Watson-Parker Law is to prevent strikes. This it does by two general processes, (1) to force the unions into arbitration, and, (2) to make the arbitration awards and the delays attendant upon arbitration legally binding, no-strike provisions.

We have shown above how the workers will be forced into arbitration under the Watson-Parker Law. The provisions for enforcing no-strike regulations are many and dangerous. The Watson-Parker Law is in reality an anti-strike law. Legal barriers are raised against strikes by the courts mixing into the matter. The federal courts pass on the arbitration awards, making them specifically "binding and final."

In case of need, the courts will find ways and means to legally enforce these awards by jails, injunctions, etc., even though the letter of the law does not actually provide such machinery of legal enforcement. Likewise, the 60-day no-strike period from the time an Emergency Board is created until a month after it reports will be legally enforced. Unquestionably if the unions tried to strike in this period (which of course would be used frantically for strike preparation by the companies) the courts would rule they had violated the law and proceed violently against them.

Under the old Railroad Labor Board the decisions were not mandatory, yet when the shopmen ventured to



disobey them and strike, they were immediately outlawed and the infamous Daugherty injunction issued against them. The new Watson-Parker Law makes it much easier to outlaw strikes.

#### AN ANTI-STRIKE LAW

In fact, the law contains one definite anti-strike provision. Section 9, Paragraph 8 of the law says:

"Nothing in this act shall be construed to require an individual employe to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor or service by an individual employee an illegal act, nor shall any court issue any process to compel the performance by an individual employee of such labor or service without his consent."

This sinister paragraph while affirmatively conceding the right of the "individual" to quit work, negatively denies that right to **groups of workers**. In order to stress that it is the individual and not an organization that has this right, the word "individual" in the law is written in *Italics*.

Under this provision, undoubtedly, the courts will rule that the unions have no legal right to strike against arbitration awards or during the compulsory no-strike periods while mediation and investigation proceeds. Any federal judge will issue an injunction against a striking union in such circumstances. Think what would happen if such an issue came before the United States supreme court, which in a Kansas industrial court law case, has just recently placed definite limitation on the right of workers to strike.

The railroad union leaders have abdicated the right to strike. They have robbed the workers of this great weapon, insofar as it can be taken from them by such action. The leaders do not want strikes any more than the companies do. They have their B. & O. Plan and

trade union capitalism, which have nothing in common with strikes. They work hand-in-glove with the employers to outlaw strikes.

Everywhere the capitalists see the situation in its real light. The **New Haven Register** says, "The railroads and their trainmen have bound themselves to accept arbitration and to abide by its awards. These awards can be enforced by the courts, so that danger of a strike is done away with." The **New York Times** says, "A strike on the railroads is now inconceivable."

With the connivance of the trade union leaders, the railroad owners have gone far to the achievement of their set purpose of outlawing strikes on American railroads.

#### 3.—THE COURTS IN LABOR DISPUTES

Another determined policy of the employers, in their long fight to hamstring labor by every possible means, is to so arrange matters as to give the courts the right to handle labor disputes. This is because they know that the courts may be depended on systematically to enslave the workers. Labor has always bitterly resisted this tendency, fighting for the settlement of labor disputes in direct negotiations with the employers.

A noted case in point was that of the Kansas industrial court. This court undertook to pass upon the merits of labor controversies and to outlaw strikes. But the militant policy of the Kansas miners, under the leadership of Howat, in striking regardless of its decisions, eventually smashed it and put an end to this scheme towards which the employers all over the country were looking hopefully as a solution of the "labor problem."

Now, however, come the railroad union leaders, totally ignoring the long fight against giving the courts jurisdiction over wage disputes, and in their Watson-Parker Law they go very far towards conceding the federal



courts this menacing power. The law recognizes in principle and to a considerable extent in practice, the right of the courts to interfere directly in the wage struggle between the workers and the companies.

#### INTRODUCING THE INDUSTRIAL COURT

As outlined in the preceding chapters, the federal courts enter in at many points in the procedure set up by the new law. They register agreements to arbitrate; all evidence, papers, etc., of arbitration proceedings have to be filed with them; they register arbitration agreements and make them legal; appeals against such agreements can only be made to the courts; the courts will be called upon to enforce the agreements by injunctions and otherwise.

Thus, the Watson-Parker Law introduces, with the sanction of the labor leaders, the principle of the industrial court. It throws wide open the door to the further extension of this deadly institution. The courts will not be slow to follow up the advantage given them by this law. As is their wont, they will progressively seize more and more power. The law gives them a yard and they will take a mile.

What the employers could not accomplish with the Kansas industrial court in open opposition to the labor movement, they hope to achieve by such means as the Watson-Parker Law, framed in full agreement with the labor leaders, namely, the enslavement of the workers through the federal courts.

#### 4.—STIMULATING COMPANY UNIONISM

The Watson-Parker Law directly stimulates and recognizes company unionism. The company union movement on the railroads, initiated by Atterbury on the Pennsylvania in 1921, has made tremendous strides since the end of the shopmen's strike. According to official figures, 64 out of 117 railroads have established such

organizations. The purposes of the company unions are to speed up the workers and to prevent the growth of class consciousness and trade unionism among them. They constitute one of the very greatest dangers confronting not only the railroad workers, but also the entire labor movement. The Watson-Parker Law feeds this poisonous growth.

The Watson-Parker Law provides in a general way that the workers have the right to organize, but it does not say how. The clause runs:

"Representatives, for the purposes of this act, shall be designated by the respective parties in such a manner as may be provided in their corporate organization or unincorporated association, or by other means of collective action, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other."

This paragraph the labor leaders hail as a great victory, claiming that it is a "clear and unmistakable recognition of the right to organize trade unions." On the other hand, Atterbury and the other advocates of company unionism are equally jubilant. They see in the paragraph a legalization and protection of company unionism. The Feb., 1926, number of the official journal of the company union of shop workers on the Union Pacific thus voiced the opinion of the company unionists regarding the Watson-Parker bill:

"A perusal of the provisions of the bill will show that specific organizations are not named therein, which was one of our principal objections to the so-called Howell-Barkley bill. We thus see that the existence of our independent organizations (company unions) has been properly safe-guarded and that the various objections we had to the Howell-Barkley bill will be disposed of by the proposed bill in accordance with our contentions."



### WHAT WILL HAPPEN?

Now what will happen under the operation of the law? Simply this: The workers will try to organize trade unions and the companies will build company unions to block them. The courts will decide which shall be recognized. A pleasant prospect, indeed! Who can doubt that the courts will rule that the company unions are voluntary organizations falling under the provisions of the law?

Consider for a moment, Atterbury of the Pennsylvania railroad. He is at once the great champion of company unionism and the father of the Watson-Parker Law. This is no contradiction. He knows the Watson-Parker Law for what it really is, a club to be used against the unions. Who is foolish enough to believe that Atterbury has surrendered to his workers the right to organize genuine trade unions? Why, he even refused to meet with the shopmen's leaders when the bill was being drafted by the joint committee of the companies and the brotherhoods!

Atterbury understands that the Watson-Parker Law enables the companies to still further cash in on the great victory they won over the railroad workers at the time of the shopmen's strike. The Watson-Parker Law puts a premium on company unionism.\*

But the trade union leaders are really not such fools as to believe that this law eliminates company unionism. They know better. They aim to eliminate the company unions proper by turning the trade unions into company unions via the B. & O. Plan. And they propose to do it under the Watson-Parker Law. Already they are bragging continually that through the B. & O. Plan the companies can speed up the workers more and

\*As this is written, the issue has arisen in concrete form with union officials and company managers conferring at New York over Adjustment Boards, the companies holding out for system boards on which their company unions will have claim for representation.

gain greater profits than they can under the company union system.

The ultimatum presented to the railroad workers by the railroad companies through the Watson-Parker Law is that they must accept company unionism, either through the company unions directly established by the companies or through degenerating the trade unions into company unions via the B. & O. Plan. The trade union leaders have chosen the latter course.

### 5.—AN EMPTY VICTORY

The conservative railroad union leaders are emitting a great cry of victory because the Watson-Parker Law has eliminated the hated Railroad Labor Board. But it is only a Pyrrhic victory. The railroad unions have merely jumped out of the frying pan into the fire. The compulsory arbitration, outlawing of strikes, court interferences, and company unionism of the Watson-Parker Law will soon prove more disastrous to the workers than even the old Railroad Labor Board. The only reason the employers consented to the abolition of that board, which served their purposes so well, was because they knew that in the Watson-Parker Law they had developed a far more effective means for drawing the teeth of railroad trade unionism.

This law lays a tremendous handicap on the workers in the great struggles that are not far off in the future, and it has been fastened upon their backs for an indefinite time with the consent of their own leaders. The battle to repeal the Watson-Parker Law is one of the most urgent tasks and will be one of the bitterest struggles ever undertaken by the railroad workers of this country.



## Chapter V.

### THE COMBINATION BEHIND THE LAW.

A SINISTER feature in connection with the Watson-Parker Law is the combination of capitalists and trade union leaders formed to secure the passage of the law and to support its application. This joint body of "capital and labor," based on an intensified class collaboration, is the soil out of which the Watson-Parker Law grew. It bodes no good for the workers.

The great railroad and other capitalist interests hail the Watson-Parker Law. Representatives of 199,000 miles of railroads, including the Pennsylvania, New York Central and many other big systems, heartily supported it, while representatives of only 36,000 miles voted against it.

The present reactionary congress passed it overwhelmingly: Senate, 69 for, 13 against; House, 381 for, 13 against. Coolidge, arch-agent of Wall Street, signed the bill without delay. The National Civic Federation gave the law its blessing, and the capitalist press generally greeted with applause its passage by congress. The capitalist class properly see in the Watson-Parker Law a defeat for the workers and a victory for reaction.

The trade union bureaucrats also greeted the law enthusiastically. The whole body of railroad union officials, with those of the four brotherhoods in the lead, gave the law their endorsement. The railroad journal, "Labor," bubbled over with joy at the "victory." The convention of the Railway Employees' Department of the A. F. of L. also endorsed the law. And the A. F. of L. convention in Detroit followed suit. The conservative trade union press everywhere approves the new railroad law. So both the capitalist and the labor leaders are quite satisfied. Their interests are furthered and safe-guarded at the expense of the workers.

### 1.—SOME RAILROAD HISTORY

In order to gain an insight into the real meaning of the close co-operation set up under the Watson-Parker Law between the railroad companies and union officials it is helpful to look back a few years in railroad history and observe the rise, the purposes and the end of a similar movement which manifested itself under the name of the American Railway Employees' and Investors' Association.

The American Railway Employees' and Investors' Association was formed in Chicago after the settlement of the 1907 western wage movement. The public leader of the movement was P. H. Morrissey, then head of the Brotherhood of Railway Trainmen. The real backers were the railroad companies. The organization was formed "quietly," without the knowledge of the union membership, at a conference of the heads of the brotherhoods and of various big railroads.

It was organized with a definite constitution and enlisting a dues paying membership, in addition to accepting the membership of railroad unions and railroad companies. The A. R. E. & I. A. was headed by a joint committee of railroad company officials and railroad trade union leaders. Stone, Lee, Garretson, Carter, and the other big chiefs of the brotherhoods of the time, were deeply in the scheme

### 2.—"A SPIRIT OF MUTUAL INTEREST"

The purposes of this organization were expressed in its constitution as follows:

"Art. 1, Sec. 1.: The purposes for which this organization is formed. By all lawful methods to cultivate and maintain between its members such a spirit of mutual interest and such concern on the part of all of them for the welfare and prosperity of American railroads as will best promote their successful and profitable operation. To publicly pro-



vide means and methods for obtaining consideration and hearing from all legislative bodies and commissions empowered to enact laws, rules, and regulations affecting the conduct and operation of the railroads."

The real meaning of this was the building of a great lobby, backed by the railroad companies and the leaders of 1,600,000 railroad workers, to fight for the interest of the railroad companies, by blocking hostile legislation (much of which was proposed by the unions themselves) securing increased freight and passenger rates, etc. In return for their support of the companies' profit-grabbing schemes, the workers were supposed to get favorable consideration in the matter of wages.

In furtherance of the plan, a great organization drive was started to at once increase railroad rates. The A. R. E. & I. A. placed a dozen organizers in the field, held many big mass meetings, and put numbers of union officials on the payroll. For the bosses everything seemed rosy.

But the scheme came to a grand crash in the 1909 convention of the Brotherhood of Railroad Trainmen. Morrissey and Lee tried to secure the endorsement of the American Railway Employees' and Investors' Association, but the delegates, led by A. A. Roe and others, perceiving the poisonous betrayal of their interests in the movement, rose against it en masse and killed it.

Lee, the new head of the B. of R. T., was forced to quit the A. R. E. & I. A. Morrissey's influence among railroad workers was ruined. Stone, Garretson, Carter, et al, ran to cover and the whole thing blew up completely. Thus ended, ignominiously, this great effort at intensified class collaboration on the railroads.

### 3.—THE A. R. E. & I. A. REBORN

The collapse of the American Railway Employees' and Investors' Association was a sad blow to Lee and

his fellow class collaborationists. But the idea behind the scheme was too good to be so easily abandoned. Lee nursed it, waiting for a more favorable opportunity to bring it to maturity on the railroads.

His chance came in 1925. Profiting by the general demoralization of the railroad unions under the attacks of the companies and the retreat policy of the union leaders, Lee came forth with a call for a general conference of railroad officials and railroad union leaders, to take place in Cleveland on June 29th, for the avowed purpose of securing legislation to end strikes on the railroads. In this maneuver Lee was, as ever, merely the mouthpiece and agent of the railroad companies.

The Trade Union Educational League immediately denounced Lee's proposed conference and launched a vigorous agitation against it. Then Lee, mindful of his bad experience with an aroused membership, in the case of the A. R. E. & I. A., moved more cautiously. Apparently he abandoned the scheduled conference, because June 29th came and went and no such conference was held.

### 4.—BETRAYAL ARRANGED SECRETLY

But what had happened was merely that the movement had been transferred from daylight into dark, from publicity to secrecy. Lee's conference, and others, went ahead under cover. Totally without the knowledge of the masses of railroad workers, not to speak of their consent, the union leaders surrendered the interests of the rank and file by developing the Watson-Parker Law in collaboration with the railroad companies.

"Labor" of May 15, 1926, naively spills the beans about these secret conferences of the union leaders with the companies, when it says, quoting Senator Watson's speech on the Watson-Parker bill:

"The Railway Labor Act was the outcome of conferences during the summer and fall of 1925 be-



tween representatives of practically all the railroads and the 20 railroad labor organizations."

The railroad men of America will ask in due season when and where these conferences were held, and who gave the union leaders the authority to sit into them and to tie the railroad workers hand and foot, as has been done by the Watson-Parker Law. And they will find ways and means to make their misleaders pay dearly for this treachery.

In these secret conferences between the company officials and the union leaders, the foundation was laid for a collaboration based upon essentially the same principles as those underlying the discarded American Railway Employees' and Investors' Association. But this time the thing is done more skillfully. Now there is no formal organization, open and public for everyone to see and shoot at. Everything is under cover and hidden. Secret conferences, private understandings, and passive agreements, are the methods of the new combination. It is the A. R. E. & I. A. renovated and brought up to date

#### 5.—THE NEW ALLIANCE

Conservative railroad trade union officials are always servile to the interests of the companies. But in this new alliance with the bosses their servility sinks to new depths. The first fruit of this alliance is the Watson-Parker Law. Other poisonous developments will soon flow out of it. The whole scheme means the protection of the interests of the companies at the expense of the workers.

It means openly or covertly supporting the companies in their demands for higher rates, shielding them from hostile legislation, extending and entrenching company unionism, speeding up the workers at their work, breaking up of militant strike movements against the employ-

ers, and the general worsening of conditions for railroad workers.

The Watson-Parker Law is bad, but what is worse, and what the railroad workers must smash at all costs, is the close alliance between the companies and the union leaders which gave birth to the Watson-Parker Law.

## Chapter VI.

### PUTTING THE LAW INTO EFFECT.

AS the Watson-Parker Law goes into effect, it is already showing how it works against the interests of the railroad workers. The first important step in its operation was the appointment of the board of mediation by President Coolidge. Naturally his appointees to this board, destined to play such an important role in establishing conditions on American railroads, are all ultra-reactionaries. The board is packed against the workers from the start. It consists of the following five members:

#### 1.—COOLIDGE'S BOARD OF MEDIATION

Samuel E. Winslow: A prominent "open shop" capitalist of Massachusetts, noted for his opposition to organized labor and to every form of progressivism. This "impartial" gentleman is chairman of the board.

Carl Williams: Representative of wealthy stock-growing and general farming interests in the southwest, a confirmed reactionary.

G. W. Hanger: Former member of the discredited Railroad Labor Board, a willing servant of the railroad companies, by profession an economist.

E. P. Morrow: Also formerly of the Railroad Labor Board, corporation attorney, once governor of Kentucky and noted for crushing coal miners' strikes with troops.

Hymel Davies: Hanger-on and general tool of California big business interests, company union advocate



and expert, helped to drive the I. W. W. out of western towns during the war, labor-mediator for the department of labor.

There is the keyboard under which the Watson-Parker Law operates. It is thoroughly capitalistic from end to end. There is not a labor man or even "friend" of labor in the whole five. So far as personnel is concerned, the make-up of the board of mediation is even worse than that of the hated Railroad Labor Board. What chance has the workers' cause in the hands of such a capitalistic crew?

## 2.—THE CONDUCTORS'-TRAINMEN'S ARBITRATION.

Already a number of wage movements have taken place under the Watson-Parker Law. Some were settled by the boards of adjustment. These were the cases of the weakened Shopmen's, Clerks' and Trackmen's organizations on various railroads. Although the railroads are now making by far the greatest profits in their history (the Wall Street Journal predicts that the net operating return of the Class 1 railroads in 1926 will reach the unprecedented figure of \$1,260,000,000) they arbitrarily hand the workers in these unions paltry increases in wages of from one to three cents per hour. The union leaders weakly accept these petty concessions, and then fill the union journal with peans of victory and glorification of the new era of "co-operation" under the Watson-Parker Law.

But the railroad companies are not able to so easily dispose of the demands of the 90,000 conductors and trainmen on the roads east of the Mississippi and north of the Ohio Rivers. These workers are in a position to insist more firmly upon their demands. The companies cannot simply hand them what they please through a board of adjustment and then make them like it, as they have done with the other unions. These workers stand their ground a little.

Then the companies proceeded to put their will into effect another way, through the virtually compulsory arbitration established by the Watson-Parker Law. When the board of adjustment failed, the board of mediation was called in. When it also failed, an arbitration board was organized. Let the railroad workers look upon the personnel of the board set up to arbitrate the conductors-trainmen's demands and then learn a lesson of what is in store for them under the new railroad law.

## COMPANIES DO THE DECIDING.

The arbitration board is composed of six members, as follows: two chosen by the companies, two by the unions, and two "neutrals" selected by these four. The representatives of the companies are R. V. Massey, general manager of the Pennsylvania Railroad, and W. A. Martin, vice-president of the Erie Railroad. The representatives of the unions are E. P. Curtis, general secretary of the O. R. C., and D. L. Cease, editor of the Trainmen's Journal. The two "neutrals" are W. D. Baldwin, president of the Otis Elevator, and W. E. Clark, formerly grand senior conductor of the O. R. C., but now a railroad attorney. The latter was appointed by the board of mediation, as the other men agreed upon as a neutral by the first four arbitrators, J. H. Findley, associate editor of the New York Times, refused to serve.

Even the most casual glance at this arbitration board shows that it is safely in the hands of the companies. They have four of the six members in their pocket. Of the two "neutrals," Otis, head of the frantically "open shop" Otis Elevator Company, will do their bidding completely, and the other, Clark, a typical labor faker, is also their man. Otherwise he never would have been appointed by Coolidge's ultra-reactionary board of mediation.

The companies have the thing sewed up completely. The arbitration board will bring in just such an award



as the employers dictate. The workers' representatives are a minority of two, and, even assuming they would really fight, which they will not, they are helpless in the face of four arbitrators defending the companies' cause. The probable outcome of the arbitration will be a few cents hourly increase in wages. This, the rich companies, making unheard of profits, can easily concede. But the award will be only a mere fraction of what the workers involved could have obtained were they part of a great railroad industrial union pursuing a policy of militant action.

### 3.—A "GREAT ADVANCE" BACKWARD

This is the Watson-Parker Law in practice. It gives the employers the upper hand at every point. It enables the companies to dictate terms off-hand to the workers. In the boards of adjustment if the workers refuse to accept the petty concessions proposed by the companies, they have the poor alternative of taking their case to the arbitration boards which are bound to be stacked against them on a two-to-one basis by reason of the power vested in the reactionary board of mediation to appoint the "neutral" arbitrators. On pain of having their strikes outlawed, the workers must go into this framed up arbitration and accept its company-made decisions.

It is this monstrous arrangement, which ties the railroaders hand and foot and sells them out to the companies, that the railroad union leaders are responsible for and that they are now so widely advertising as a great advance over the old Railroad Labor Board. The

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As this pamphlet goes to the printer, news reports state that the above mentioned Arbitration Board has given the Conductors and Trainmen a raise of only seven and a half per cent. They asked for a 20 per cent raise, so got only one-third of their demand. The writer is thus proven correct in forecasting the result. The framed-up appearance of "conflict" on the board with the "representatives of the public" voting for the award and the company men voting against it can be discounted as a frame-up, because the companies won heavily by the award on both wages and working conditions.

Watson-Parker Law, backed by the railroad trade union bureaucracy is a gigantic betrayal of the great mass of railroad workers.

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## Chapter VII.

### WHAT MUST BE DONE.

THE railroad workers are passing through a crisis. The companies are on the advance, the unions are on the retreat. The reactionary trade union leaders, who have no higher goal than to provide well-paying positions for themselves, have given up all semblance of a fighting policy and have joined hands with the employers in a maze of class collaborationism. The interests of the rank and file are deeply betrayed and sacrificed.

Prompt and vigorous action must be taken to remedy the situation. The workers must build their unions into powerful organizations and equip them with an honest, fighting leadership. Sweeping aside the B. & O. Plan, trade union capitalism, Watson-Parkerism, co-operation with the two capitalist political parties, and other forms of class collaboration, they must adopt a militant policy against the companies. This will put an end to the long disastrous retreat and begin a victorious offensive.

#### 1.—DEMAND A GENERAL WAGE INCREASE.

The first essential for a great advance of the railroad workers is the development of a national demand for a general increase of wages for all classes of workers on the railroads. Now is the opportune time for such a sweeping, all-trades-movement. The industry is booming and the workers, recovering rapidly after their long depression following the 1922 shopmen's strike defeat, are in a mood to fight.

Railroad business is now at the greatest volume in its history, and it is rapidly increasing. The companies are making fabulous profits. Never have they enjoyed



such prosperity. "Labor" of Sept. 11th, gives the following figures for the seven months ending July 31st, and the succeeding three months have bettered this showing:

Total operating expenses .....	2,622,298,154	2,694,801,738
Total operating expenses.....	2,622,298,154	2,694,801,738
Net railway operating income	539,184,046	611,853,632
Rate of return on book value	4.56%	5.06%
Rate of return on tentative value .....	5.06%	5.71%

The great army of railroad workers does not experience any such prosperity. The workers' function, according to the employer's conception, is to slave and starve while the capitalists grow rich and fat. Driven on by new and more intensive speed-up systems and confronted with a rising cost of living, their wages have actually decreased in the period of the past several years.

#### ANNUAL WAGE CUT \$250 FROM 1920 SCALE.

In a recent bulletin the International Railroad Amalgamation Committee, which has for the past several years led the struggle for progress among the railroad workers, thus sums up the situation:

"Total railroad wages paid in 1920 were \$3,742,486,936, as compared with \$2,900,107,384 in 1925. This is a loss per year of \$842,379,552, or about 22½%. The average year's pay of a railroad employee in 1920 was \$1,820, and in 1925, \$1,570, or a loss of \$250 per year. Over 400,000 railroad employees had total earnings for the year 1925 under \$1,000, while 523,000 averaged less than \$1,200, and 202,920 section laborers received the insignificant sum of \$877. These are little better than starvation wages."

This is an intolerable situation: the exploiters rolling in luxury and the actual producers living in want. In no uncertain terms the vast army of railroad workers

must protest and insist unitedly upon immediate and substantial wage increases. The restoration of the 1920 scale is the minimum to be demanded. The wage demand must be made simultaneously from all classifications of railroad workers.

The recent convention of the Railway Employees' Department of the A. F. of L. failed to organize such a general wage movement. It was decrepit and reactionary. Consequently there are now only scattered movements of isolated sections of railroad workers. These the companies easily dispose of with small concessions. While better than no movements at all, these weak efforts do not meet the situation. There must be a nation-wide wage movement of all railroad workers, from the engineer to the section hand, and from Maine to California. That would be irresistible.

#### 2.—ORGANIZE THE UNORGANIZED.

To back up the proposed national wage demand, as well as to protect the railroad workers' interests generally, it is fundamentally necessary to organize the more than 1,000,000 workers now unorganized on the railroads. The situation is more than ripe for the accomplishment of this great task. The industry is operating at an unprecedented rate, and relatively few railroad workers are unemployed. The workers are ready for a great forward move. All that is required is to take advantage of the favorable situation.

The recent Railway Employees' Department Convention did practically nothing towards the solution of this key problem of organizing the unorganized. The reactionary officialdom, headed by Jewel, who misled the railroad shopmen in their disastrous defeat in 1922, contented themselves with adopting a platonic resolution on organization.

Since leaving the convention, they have done nothing further about it. Their attention was fastened upon the



B. & O. Plan, trade union capitalism, and other forms of class collaboration. They looked to the Watson-Parker Law for salvation. It is such weak and unreliable leadership that has undermined the railroad unions and subjugated them to the employers.

At the present there are a few spasmodic organization campaigns going on, including those of the switchmen, telegraphers, etc. These must, of course, be pushed, but besides, every effort should be made to start a general joint campaign of all the railroad unions. Headed by a national committee and forming local committees in all railroad centers, such a campaign would inevitably make real headway in the rebuilding of the weakened railroad unions.

### 3.—SMASH THE COMPANY UNIONS.

A central task in building up an effective railroad trade unionism, is to demolish the company unions. These organizations are widespread on the railroads. They check the growth of trade unionism and class consciousness. They create among the workers the illusion of democracy in the industry. They are a convenient means for the employers to speed up the workers and to put wage-cuts into effect. They are a menace to the growth of the labor movement and they must be eliminated.

The great weapon against company unionism is a militant organization campaign, based upon the economic demands of the workers. Under the Watson-Parker Law, the employers have a free hand to organize company unions, and they will take full advantage of it. This makes it all the more necessary to smash the company unions by a widespread and active campaign to establish trade unions. Of themselves, the reactionary bureaucrats will do nothing to eliminate company unionism. Their "remedy" for the evil is to degenerate the trade unions into company unions, via the B. & O. Plan

route. Only when pressed by a determined and thoroughly organized opposition in the unions will they fight the company unions.

The struggle against company unionism thus has two phases: (a) to prevent the direct establishment of company unions by the employers, and (b) to prevent the degeneration of the trade unions into company unions by their leaders.

The company unions must be fought from within as well as from without. It is well to make direct propaganda against the company unions and to build trade unions in open opposition to them. But in many cases, especially where the company unions have a mass following, and where there is a foment among the workers, to penetrate these organizations and to precipitate within them questions of the workers' economic demands and the formation of trade unions.

In many company unions, on the railroads as well as in other industries, such a policy, intelligently carried out, has brought about the destruction of these boss-controlled organizations and the formation of genuine trade unions. The question of breaking up the company unions and supplanting them with trade unions, must occupy a major share of the attention of railroad workers.

### 4.—FIGHT THE WATSON-PARKER LAW.

It is necessary that the organized left wing and progressives start a movement to repeal the Watson-Parker Law. This should show the railroad workers the menace of this law and stimulate them to demand its abolition. The disastrous effects of the law will not become fully apparent immediately. With the railroad industry booming and labor relatively employed, wage increases must be conceded. The employers will give these under the machinery set up by the Watson-Parker Law. Hence, even though these increases are only a fraction of what



might be won by an aggressive policy, the illusion will be created that the new law is at least partially successful.

But when the present period of industrial activity ends and wage cuts and union-smashing become the first order of the day, then the arbitration boards established under the Watson-Parker Law will so clearly demonstrate their company character that every railroad worker will understand. Then the demand for the repeal of the law will be every bit as insistent as was the cry for the abolition of the Railroad Labor Board. Before many months have passed the railroad union leaders, who fastened this Old-Man-of-the-Sea on the back of the railroad labor, will be more than eager to explain away their treachery.

Meanwhile, the railroad workers must ward off the worst effects of the Watson-Parker Law. A militant stand on their part can do much to nullify this law. First and foremost, they must break down its compulsory arbitration. This can be done by their refusing resolutely to accept the arbitration of disputes not settled by the boards of adjustment and by their carrying out a policy of strikes. In view of the commitment of the unions to the Watson-Parker Law by the reactionary leaders, such a policy will be difficult, but the hard alternative is to surrender to arbitrators hopelessly prejudiced against the workers from the start.

It will also be necessary to disregard court decisions under the Watson-Parker Law which undertake to establish wages, hours, or working conditions or to restrict the right to strike. Court decisions in connection with this law, recognizing company unions and thus denying the workers the right to organize, will also be disregarded in the struggle. But the full menace of the Watson-Parker Law will not be eradicated until the law is wiped off the federal statute books and the policy and

leadership of the unions which gave rise to it are definitely repudiated.

#### 5.—FIGHT FOR AMALGAMATION.

The question of amalgamation remains of burning importance to railroad workers. The score of disconnected craft unions must be combined into one industrial organization, and this built up until it includes all railroad workers. The need for such an amalgamation is greater now, if possible, than on the eve of the 1922 shopmen's strike, when the Trade Union Educational League correctly put forth the slogan of "Amalgamation or Annihilation." Since that time, the companies have become much richer and far better organized, while the unions have been badly weakened. On the railroads craft unionism is a hopelessly futile system of labor organization.

The real obstruction to the amalgamation of the many railroad unions into one, is the reactionary bureaucracy. With the possible exception of a few classes of skilled workers, the masses of railroad workers want amalgamation. But the union leaders do not. They fear it would cause them to lose their present fat positions. To remove this reactionary leadership, in convention and referendum elections, as the case may be, and to replace it with a progressive officialdom, is a task that must not be neglected in the general fight to fuse the craft unions into one great industrial union.

#### 6.—ABOLISH THE B. & O. PLAN.

The left wing and progressive elements in the railroad unions must mobilize the organized masses to fight against the dangerous B. & O. Plan and the many variations of this plan built around the central principle of the workers co-operating with the employers to increase production. The struggle to reject the B. & O. Plan must be carried on in every shop, local union and trade



union convention. The railroad workers must be educated regarding the destructive effects of the B. & O. Plan.

But the fight must go further than merely resisting and eliminating specific B. & O. Plan arrangements. The whole tendency towards class collaboration, of which the B. & O. Plan is the glittering example, must be defeated and the labor movement placed upon a class struggle basis. This means carrying through militant movements to support the workers' economic demands, for the organization of the unorganized, for a labor party, for a better leadership, against arbitration, etc. It means building the unions into real fighting organizations.

#### 7.—COMBAT TRADE UNION CAPITALISM.

As pointed out earlier, trade union capitalism, which includes labor banking, workers' investment corporations, trade union life insurance companies, etc., is a form of class collaboration with deleterious effects upon the unions. It must be combatted.

The campaign against it should take several aspects: (a) to destroy by education the illusion, bred of trade union capitalism, that the workers can buy themselves free of capitalist wage slavery; (b) to separate the various labor banks, etc., from direct connection with the union, thus restoring the unions to their proper functions as fighting organizations and making the leaders more responsive to rank and file control; (c) to reorganize the labor banks, etc., from their present undemocratic forms to genuine co-operatives; (d) to break their direct connections with orthodox capitalistic institutions and to restrict their financial operations to legitimate activities among the workers; (e) to fight aggressively against the establishment of any more such organizations on their present capitalistic basis by the trade union bureaucrats. Before long the workers will begin

to understand the evils of trade union capitalism and will be prepared to check and abolish them.

#### 8.—FOR NATIONALIZATION AND A LABOR PARTY.

The railroad workers must be re-taught that it is utter folly to permit great public services, like the railroads, coal mines, packing houses, power plants, etc., to remain in the hands of private capitalists who use them selfishly to exploit the toiling masses. The movement for nationalization, well begun by the Plumb Plan but abandoned by the reactionary trade union leaders in their great retreat before the advance of the railroad companies, must be resumed. The railroad workers should take the lead in the fight for the nationalization of the industries.

They must also again take up the struggle against the two capitalist political parties and for independent political action. But this time it must assume clearer organizational forms and objectives than those of the Conference for Progressive Political Action. It must stand squarely for the formation of a Labor Party, based on the trade unions, a mass party, which shall enter into alliance with the poorer farmers and make with them a joint struggle against the capitalists.

The railroad workers must begin to look forward to the end of the capitalist system with all its misery and suffering, and to the eventual setting up of a system of society and government in which the workers and poor farmers will be the controlling elements.

#### 9.—IN CONCLUSION.

The foregoing is the program necessary to counteract the Watson-Parker Law, and the class collaboration movement of which it is an expression. The great body of railroad workers, except for a few favored categories of those skilled and strategically situated, are deeply discontented. They are only awaiting good leadership



in order to cast aside their passivism and to engage in battle against the companies. The left wing and progressives, joined together in a united front based on the above program, must give them that leadership.

In every railroad shop, local union, local federation, system federation, national union, there should be circles, groups and committees formed to fight for this program of elementary needs of the workers in the unions. The reactionary leaders are strongly entrenched and they can always rely upon the assistance of the companies, but both together can be defeated by an aroused and properly led rank and file.

The 1,800,000 railroad workers possess tremendous potential power. Today, misled by their leaders, their vitality sapped by class collaboration, divided against themselves by craft unionism, their unions diminished numerically by defeat, the railroad workers are weak and disspirited. But there is no room for defeatism or dual unionism. Beneath the present situation are the foundations for a great organization. When the time comes, and it will come, that the vast armies of railroad workers, honestly and courageously led, are united in one all-inclusive industrial union, animated by a real fighting policy, they will be invincible.

THE END.

## Railroad Workers

If you agree with the above program, write to:

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